



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party **Proposal No:** C1229
Date Referred: 25/01/2023 **Date Published:** 20/03/2023
Proposal Title: Fairfield Hospital Redevelopment
Cluster: Health

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation					-
Less: Offsets					-
Revenue					-
Net Operating Balance:	-	-	-	-	-

Capital Expenditure	-	-	-	-	-
Capital Offsets					
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	-	-	-	-
---------------------------------	---	---	---	---	---

Total State Sector Impacts

Net Lending/(Borrowing):	-	-	-	-	-
---------------------------------	---	---	---	---	---

Notes and costing assumptions:

This policy proposes to provide \$115 million towards the redevelopment of Fairfield Hospital over the forward estimates from 2023-24 to 2025-26 and an additional \$435 million in 2026-27 to 2027-28. This provides a total investment of \$550 million to be funded from surplus WestInvest funds.

The policy propose redevelopment project would involve:

- completing the Clinical Service Plan and other planning works (including site testing and service requirement assessment)
- more medical, surgical and rehabilitation beds
- increased dialysis spaces
- enhanced radiology services (including CT and MRI)
- expanded mental health services (including a Psychiatric Emergency Care Centre)
- rehabilitation facilities (including aged care, orthopaedics, respiratory and interventional cardiology)
- paediatric services.

Notes and costing assumptions continued:

NSW Health advises that a detailed clinical services plan will be required to confirm the appropriate services and facilities to be included in any redevelopment of Fairfield Hospital, to ensure local health needs are met. This would take into account what will be provided in the redevelopment of Bankstown Hospital, currently in planning (see *Key assumptions and caveats*).

The policy assumes that funding will come from surplus WestInvest Funds, which have previously been recognised in existing State Budget estimates. Therefore, the policy will have a nil impact on forecast net lending results.

Key assumptions and caveats

- The Parliamentary Budget Office assumes it reasonable that any of the specified funding amounts can be sourced from the WestInvest fund, therefore, there is no net impact of this policy on NSW government finances.
- In the 2022-23 Budget Paper 3, the Government announced \$11.9 billion towards Health Infrastructure, which includes \$1.3 billion for Bankstown Hospital on new sites to meet the growing health needs of south-western Sydney communities. The planning work is underway, and NSW Health advised the final delivery will provide insights on the clinic services required elsewhere within the South-Western Sydney Local Health District (SWSLHD).
- NSW Health also advised that new facilities and services can only be determined in decision with the district during the planning process to understand how the funding envelope can provide the best value to SWSLHD.
- NSW Health suggests that a Fairfield Hospital redevelopment project might need to include additional services such as:
 - Expanded and enhanced critical care services
 - A new and expanded emergency department
 - Renal dialysis services
 - Paediatric and maternity ward enhancements
 - Community-based comprehensive ambulatory care services.
- However, the above listed services are only assumptions and are subject to change when more details of the redevelopment plan become available.
- NSW Health advised that an indicative timeframe for a typical hospital redevelopment of less than \$500 million would be 8-9 years from planning to completion:
 - Clinical Service Plan (CSP) - 1-2 years
 - Planning stage - 3 years
 - Construction - 4 years